

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02255A
Yarnell Water Improvement
P. O. Box 727
Yarnell AZ 85362

RECEIVED

MAR 05 2014

AZ CORPORATION COMMISSIO
DIRECTOR OF UTILITIES

ANNUAL REPORT

FOR YEAR ENDING

12	31	2003
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FOR COMMISSION USE

Ann04	03
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COMPANY INFORMATION

Company Name (Business Name) Yarnell Water Improvement Association

Mailing Address P.O. Box 727 - 22609 Looka Way

(Street)

Yarnell

(City)

Arizona

(State)

85362

(Zip)

(928)-427-3321

(928)-427-0243

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address ywia@w3az.net

Local Office Mailing Address P.O. Box 727

(Street)

Yarnell

(City)

Arizona

(State)

85362

(Zip)

ywia@w3az.net

(928)-427-0243

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address ywia@w3az.net

MANAGEMENT INFORMATION

Management Contact: Beverly Newhouse President

(Name)

(Title)

P.O. Box 727

Yarnell

Arizona

85362

(Street)

(City)

(State)

(Zip)

(928)-427-3321

(928)-427-0243

Telephone No. (Include Area Code)

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Email Address ywia@w3az.net

On Site Manager: Tammy Zudell

(Name)

P.O. Box 727

Yarnell

Arizona

85362

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☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Tammy Zude11

(Name)

P.O. Box 727

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Yarnell

(City)

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Attorney: _____

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☒ Other (Describe) Corporation - Non Profit

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☒ YAVAPAI

☐ YUMA

☐ STATEWIDE

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	1,618,568	1,089,136	530,432

This amount goes on the Balance Sheet Acct. No. 108

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	1,618,568		42,036

This amount goes on Comparative Statement of Income and Expense _____
 Acct. No. 403.

02/24/2004
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YARNELL WATER IMPROVEMENT ASSOC.
Federal ID #: 86-0289720
Asset Inventory Listing - Book Basis
Period Ended 12/31/03

Company: YWI
Page: 1

Grp	Num	Property Description	Acquired	Cost/Basis	Prior Depr.	Current Depr.	Ending Depr.	Book Value
Location # 1								
Group # 1 Land								
1	1	WELLSITE PEEPLES VALLEY	01/01/75	5,126.85	0.00	0.00	0.00	5,126.85
1	2	WELL SITES 4 & 5	01/01/75	1,000.00	0.00	0.00	0.00	1,000.00
1	3	TRANS & DIST PLANT LAND	01/01/74	4,011.00	0.00	0.00	0.00	4,011.00
1	4	GENERAL PLANT & LAND RT	01/01/75	3,814.00	0.00	0.00	0.00	3,814.00
1	5	GEO PHYSICAL STUDY	12/31/02	3,345.00	0.00	0.00	0.00	3,345.00
1	7	GEO PHYSICAL STUDY	04/07/03	3,455.00	0.00	0.00	0.00	3,455.00
Group # 1 Total				20,751.85	0.00	0.00	0.00	20,751.85
Group # 2 Bldgs, Water Sys, & Equip								
2	1	HOOD-MERCURY	11/01/75	34,754.25	22,659.54	834.04	23,493.58	11,260.67
2	2	WELLS Y4 & Y5	06/25/74	1,783.57	1,637.07	55.74	1,692.81	90.76
2	3	HOOD MERCURY ETSL	11/01/75	37,752.93	32,819.69	1,179.78	33,999.47	3,753.46
2	4	SEE WETS FINAL PAY ESTIMA	11/01/75	4,031.20	3,614.07	134.37	3,748.44	282.76
2	5	PRODUCTION WELL METER L	09/30/74	768.97	521.74	18.45	540.19	228.78
2	6	SEE WETS FINAL PAY ESTIMA	11/01/75	80,776.75	52,666.38	2,019.42	54,685.80	26,090.95
2	7	WICKENBURG PUMP	10/31/90	3,399.77	1,665.87	135.99	1,801.86	1,597.91
2	8	25HP BOOSTER PUMPS	11/01/75	14,224.00	13,911.14	312.86	14,224.00	0.00
2	9	PUMPS FROM WELL Y4	06/25/74	1,025.64	996.84	28.80	1,025.64	0.00
2	10	PROCESS EQUIP CO NEW	11/30/87	12,788.41	7,758.66	511.54	8,270.20	4,518.21
2	11	PROCESS WQUIP CO REBUILT	06/30/88	11,010.80	6,422.50	440.43	6,862.93	4,147.87
2	12	PROCESS EQUIP CO WELL	07/31/89	14,177.10	7,655.60	567.08	8,222.68	5,954.42
2	13	PUMP 65254AL2	08/31/84	2,525.44	2,525.44	0.00	2,525.44	0.00
2	15	CHLORINATOR W/ 2 CYLINDE	11/01/75	1,456.00	1,423.74	32.26	1,456.00	0.00
2	16	CHLORINATOR	10/30/92	3,452.39	3,452.39	0.00	3,452.39	0.00
2	17	SCBA BREATHING APPARATU	07/01/99	1,562.58	1,406.70	155.88	1,562.58	0.00
2	18	SEE WETS FINAL PAY	11/01/75	9,449.70	7,188.12	264.62	7,452.74	1,996.96
2	19	#1 40k GAL., #2 250K GAL	11/01/75	130,622.50	70,971.55	2,612.45	73,584.00	57,038.50
2	20	ELECTROLYSIS	10/01/83	6,545.36	6,545.36	0.00	6,545.36	0.00
2	21	ELECTROLYSIS	01/31/84	1,551.95	1,551.95	0.00	1,551.95	0.00
2	22	PAINTING TANKS	06/25/96	17,500.00	5,759.89	875.00	6,634.89	10,865.11
2	23	NEW SYSTEM MAINS ACP	11/01/75	129,309.90	53,919.95	2,586.20	56,506.15	72,803.75
2	24	SYSTEM MAINS STL, PVC, GI	11/01/75	414,978.89	225,438.40	8,299.58	233,737.98	181,240.91
2	25	DISTRIB SYSTEM ST 1	11/01/75	7,400.00	4,012.67	148.00	4,160.67	3,239.33
2	26	METERS & SERVICES	06/25/74	2,922.11	2,770.44	87.67	2,858.11	64.00
2	27	YARNELL METRS & SERVICES	06/25/74	6,546.66	6,157.14	196.42	6,353.56	193.10
2	28	100 5/8 & 3/4 METERS	07/30/74	4,392.65	4,065.12	131.79	4,196.91	195.74
2	29	MISC FITTING 100 METER	06/26/75	209.50	190.03	6.29	196.32	13.18
2	30	75 METER BOXES	10/31/75	787.50	706.07	23.63	729.70	57.80
2	31	SEES WETS METER & SERVICE	11/01/75	63,753.48	57,154.87	1,912.80	59,067.67	4,685.81
2	32	SERVICE MATERIAL	11/30/75	45.56	40.62	1.37	41.99	3.57
2	33	SERVICE MATERIAL	04/30/76	1,672.40	1,471.74	50.18	1,521.92	150.48
2	34	SERVICE MATERIAL	05/31/76	1,258.10	1,103.60	37.75	1,141.35	116.75
2	35	BACK FLOW PREVENTER	07/28/99	434.61	241.44	13.04	254.48	180.13
2	36	5/8X3/4 NEPTUNE METER	06/27/00	906.60	23.01	45.33	68.34	838.26
2	37	75 FIRE HYDRANTS	11/01/75	37,500.00	20,375.00	750.00	21,125.00	16,375.00
2	38	FIRE HYDRANT	08/31/88	563.49	162.47	11.27	173.74	389.75
2	39	FIRE HYDRANT	07/31/94	705.00	118.68	14.10	132.78	572.22
2	40	FIRE HYDRANT	09/30/94	708.22	116.90	14.16	131.06	577.16
2	41	PARTS FOR PV FIRE HYDRAN	08/05/96	2,602.54	2,602.54	0.00	2,602.54	0.00
2	42	4" PR CLA-VALVE	12/04/96	9,793.32	2,978.83	489.67	3,468.50	6,324.82
2	43	2 6" 4' BURY HYDNT9/29/00	09/29/00	1,517.34	56.88	303.47	360.35	1,156.99
2	44	ROAD CROSSING SLEEVES	06/25/74	2,826.31	2,658.19	94.21	2,752.40	73.91
2	45	SEE WETS OTHER TRANS PLA	11/01/75	200,723.59	179,948.92	6,690.79	186,639.71	14,083.88
2	46	SPARE MATERIAL PURCHASE	12/31/75	2,700.00	2,405.70	90.00	2,495.70	204.30

02/24/2004
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YARNELL WATER IMPROVEMENT ASSOC.
Federal ID #: 86-0289720
Asset Inventory Listing - Book Basis
Period Ended 12/31/03

Company: YWI
Page: 2

Grp	Num	Property Description	Acquired	Cost/Basis	Prior Depr.	Current Depr.	Ending Depr.	Book Value
Group # 2 Bldgs, Water Sys, & Equip (Continued)								
2	47	SPARE MATERIAL	05/31/76	469.28	411.77	15.64	427.41	41.87
2	48	OFFICE SIGN	10/30/74	20.20	16.05	0.57	16.62	3.58
2	49	OFFICE SITE SURVEY	11/01/75	320.00	243.42	8.96	252.38	67.62
2	50	OFFICE SLAB & SITE PREP	12/31/75	8,220.00	6,214.32	230.19	6,444.51	1,775.49
2	51	OFFICE METAL BUILDING	01/31/76	8,000.00	6,029.33	224.03	6,253.36	1,746.64
2	52	OFFICE SHEET ROCK INSTALL	01/31/76	15,000.00	12,022.33	420.05	12,442.38	2,557.62
2	53	OFFICE FINISHING	03/31/76	3,665.14	2,745.08	102.64	2,847.72	817.42
2	54	BUILDING MATERIALS	03/31/76	270.32	201.95	7.57	209.52	60.80
2	55	BLDG MATERIAL & SIGN	05/31/76	231.11	172.00	6.47	178.47	52.64
2	56	HEATING & A/C	01/30/92	2,346.90	1,290.74	117.35	1,408.09	938.81
2	57	BLACK TO OFFICE PARKING	05/01/95	2,900.00	2,243.33	290.00	2,533.33	366.67
2	58	FENCE OPEN LOT	05/01/98	2,835.00	651.51	141.75	793.26	2,041.74
2	59	1990 TOYOTA P/U	08/31/90	17,424.23	17,424.23	0.00	17,424.23	0.00
2	60	CASEBOLT LINE EXTENSION	01/01/75	13,995.00	13,995.00	0.00	13,995.00	0.00
2	61	TAPPING TOOL	09/30/74	50.00	50.00	0.00	50.00	0.00
2	62	TOOLS, PIPE & FITTING	09/30/74	1,579.54	1,579.54	0.00	1,579.54	0.00
2	63	TOOLS	11/30/74	32.06	32.06	0.00	32.06	0.00
2	64	TOOLS, PIPE & FITTING	02/28/75	621.91	621.91	0.00	621.91	0.00
2	65	WRENCH	05/21/75	12.60	12.60	0.00	12.60	0.00
2	66	TOOLS & EQUIP	04/30/76	857.50	857.50	0.00	857.50	0.00
2	67	TOOLS & EQUIP	05/31/76	766.24	766.24	0.00	766.24	0.00
2	69	WATER TEST KIT	11/30/76	150.10	150.10	0.00	150.10	0.00
2	70	UTILITY BOX	10/11/78	143.00	143.00	0.00	143.00	0.00
2	71	WEED EATER	06/30/82	295.51	295.51	0.00	295.51	0.00
2	72	MECHANICAL COMPACTOR	09/30/82	1,177.66	1,177.66	0.00	1,177.66	0.00
2	73	12" BACKHOE BUCKET	09/30/84	617.96	617.96	0.00	617.96	0.00
2	74	UTILITY BOX	09/09/85	222.20	222.20	0.00	222.20	0.00
2	75	COMMERCIAL EXHAUST FAN	07/31/87	276.19	276.19	0.00	276.19	0.00
2	76	FLUKE METER	03/31/86	584.10	584.10	0.00	584.10	0.00
2	77	MOTOROLA RADIOS	05/31/88	1,930.25	1,930.25	0.00	1,930.25	0.00
2	78	DICKINSON PRESSURE RECOR	08/31/88	295.00	295.00	0.00	295.00	0.00
2	79	WESTERN AUTO LAWN MOW	04/28/89	181.08	181.08	0.00	181.08	0.00
2	80	GRAINGER MUD PUMP	01/31/90	1,512.54	1,310.92	100.84	1,411.76	100.78
2	82	PROBE	04/30/91	480.00	480.00	0.00	480.00	0.00
2	83	ELECTRIC HAMMER	09/30/91	755.53	570.72	50.37	621.09	134.44
2	84	CONTROL METER	11/30/91	583.00	433.94	38.87	472.81	110.19
2	86	FLOOR BEAM SCALE	11/30/93	588.83	267.41	29.44	296.85	291.98
2	87	METAL DETECTOR	12/03/93	418.95	380.59	38.36	418.95	0.00
2	88	MOTOR SAVER WICK PUMP	07/31/94	577.50	577.50	0.00	577.50	0.00
2	89	NEW PUMP	10/31/97	2,192.29	1,106.88	219.23	1,326.11	866.18
2	90	TRAFFIC SIGNS	09/10/99	741.99	643.08	98.91	741.99	0.00
2	91	CLAY VALVES	03/18/02	4,188.83	125.66	167.55	293.21	3,895.62
2	92	BACKFLOW TEST KIT	07/01/02	975.15	97.51	195.03	292.54	682.61
2	93	DESIGN & INSPECTION MAIN	11/01/75	101,115.30	90,649.74	3,370.51	94,020.25	7,095.05
2	94	CONCRETE PAD/RETAIN WAL	09/15/03	4,456.43	0.00	74.27	74.27	4,382.16
2	95	STATIC WATER LEVEL	10/01/03	2,021.59	0.00	25.27	25.27	1,996.32
2	96	99 JCB BACKHOE	02/12/03	23,000.00	0.00	1,054.17	1,054.17	21,945.83
2	97	BACKHOE TIRES	10/08/03	464.40	0.00	11.61	11.61	452.79
2	98	HONDA GENERATOR	12/02/03	637.29	0.00	5.31	5.31	631.98
Group # 2 Total				1,515,616.78	991,971.36	39,221.39	1,031,192.75	484,424.03
Group # 3 Furniture								
3	1	ADDING MACHINE & FILE CA	10/30/74	204.23	204.23	0.00	204.23	0.00
3	2	DESK	10/30/74	25.00	25.00	0.00	25.00	0.00
3	3	TRASH CAN	04/30/75	2.00	2.00	0.00	2.00	0.00
3	4	OFFICE FURNITURE	06/26/75	68.62	68.62	0.00	68.62	0.00

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YARNELL WATER IMPROVEMENT ASSOC.
Federal ID #: 86-0289720
Asset Inventory Listing - Book Basis
Period Ended 12/31/03

Company: YWI
Page: 3

<u>Grp</u>	<u>Num</u>	<u>Property Description</u>	<u>Acquired</u>	<u>Cost/Basis</u>	<u>Prior Depr.</u>	<u>Current Depr.</u>	<u>Ending Depr.</u>	<u>Book Value</u>
Group # 3 Furniture (Continued)								
3	5	DESK & OTHER EQUIP	03/31/76	95.08	95.08	0.00	95.08	0.00
3	6	OFFICE FURNITURE	04/30/76	96.60	96.60	0.00	96.60	0.00
3	7	OFFICE FURNITURE	06/30/76	90.00	90.00	0.00	90.00	0.00
3	9	IBM TYPEWRITER	09/30/82	840.00	840.00	0.00	840.00	0.00
3	10	PHONES	02/29/88	499.64	499.64	0.00	499.64	0.00
3	12	OFFICE DESK	02/28/91	881.34	881.34	0.00	881.34	0.00
3	13	STOCKROOM TYPEWRITER	03/31/91	1,267.92	1,267.92	0.00	1,267.92	0.00
3	14	TYPEWRITER IBM 1000	01/27/98	639.63	456.90	91.38	548.28	91.35
3	16	GATEWAY COMPUTER	09/10/01	2,073.92	0.00	691.31	691.31	1,382.61
3	17	LEXMARK LASER PRINTER	10/10/01	720.42	0.00	144.08	144.08	576.34
3	18	REFRIGERATOR	06/21/02	252.16	25.22	50.43	75.65	176.51
Group # 3 Total				7,756.56	4,552.55	977.20	5,529.75	2,226.81
Group # 4 Roads & Bridges								
4	1	RUSS CUSTOM CONCRETE	08/18/86	6,707.50	2,191.12	134.15	2,325.27	4,382.23
4	2	UNIVERSAL DRILLING	10/24/86	1,900.00	1,900.00	0.00	1,900.00	0.00
4	3	PAVED ROADWAY	06/12/00	3,500.00	262.50	175.00	437.50	3,062.50
Group # 4 Total				12,107.50	4,353.62	309.15	4,662.77	7,444.73
Group # 5 Acquisition Costs								
5	1	Franchise & Consents	01/01/74	34,883.56	25,290.58	872.09	26,162.67	8,720.89
5	2	Title Insurance & Misc.	01/01/74	2,980.00	2,160.50	74.50	2,235.00	745.00
Group # 5 Total				37,863.56	27,451.08	946.59	28,397.67	9,465.89
Group # 6 Organization Costs								
6	1	Organization Costs	01/01/74	24,471.38	17,741.75	611.78	18,353.53	6,117.85
Group # 6 Total				24,471.38	17,741.75	611.78	18,353.53	6,117.85
Location # 1 Total				<u>1,618,567.63</u>	<u>1,046,070.36</u>	<u>42,066.11</u>	<u>1,088,136.47</u>	<u>530,431.16</u>
Grand Total				<u>1,618,567.63</u>	<u>1,046,070.36</u>	<u>42,066.11</u>	<u>1,088,136.47</u>	<u>530,431.16</u>

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 100	\$ 100
134	Working Funds	97,630	65,361
135	Temporary Cash Investments	54,643	55,720
141	Customer Accounts Receivable	17,110	19,721
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments	3,113	3,891
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 172,596	\$ 145,014
	FIXED ASSETS		
101	Utility Plant in Service	\$ 1,541,017	\$ 1,556,233
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(1,003,363)	(1,041,385)
121	Non-Utility Property	62,335	62,335
122	Accumulated Depreciation – Non Utility	(45,192)	(46,751)
	TOTAL FIXED ASSETS	\$ 544,797	\$ 530,432
	TOTAL ASSETS	\$ 727,393	\$ 675,446

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 5,058	\$ 1,776
232	Notes Payable (Current Portion)	29,818	31,334
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	19,003	18,210
236	Accrued Taxes	5,397	6,039
237	Accrued Interest	60	444
241	Miscellaneous Current and Accrued Liabilities	2,448	2,446
	TOTAL CURRENT LIABILITIES	\$ 61,824	\$ 60,249
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 405,215	\$ 373,400
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	653,995	653,995
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 653,995	\$ 653,995
	TOTAL LIABILITIES	\$ 1,121,034	\$ 1,087,644
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 585	\$ 585
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	(394,226)	(412,783)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ (394,226)	\$ (412,198)
	TOTAL LIABILITIES AND CAPITAL	\$ 727,393	\$ 675,446

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 215,412	\$ 216,838
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$ 215,412	\$ 216,838
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 73,046	\$ 84,024
610	Purchased Water		
615	Purchased Power	9,317	7,805
618	Chemicals	13,170	14,903
620	Repairs and Maintenance	7,220	7,004
621	Office Supplies and Expense	13,107	9,766
630	Outside Services	11,303	5,381
635	Water Testing	2,118	1,907
641	Rents	513	692
650	Transportation Expenses	3,575	2,129
657	Insurance – General Liability	6,910	9,947
659	Insurance - Health and Life	1,440	2,400
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	1,953	6,173
403	Depreciation Expense	41,898	42,036
408	Taxes Other Than Income	5,993	6,969
408.11	Property Taxes	10,795	12,077
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 202,358	\$ 213,213
	OPERATING INCOME/(LOSS)	\$ 13,054	\$ 3,625
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 3,508	\$ 2,284
421	Non-Utility Income	1,827	12,377
426	Miscellaneous Non-Utility Expenses	(998)	(44)
427	Interest Expense	(24,657)	(21,801)
	TOTAL OTHER INCOME/(EXPENSE)	\$ (20,320)	\$ (7,184)
	NET INCOME/(LOSS)	\$ (7,266)	\$ (3,559)

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	06/25/74	04/25/75		
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$ 769,000	\$ 100,000	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	5%	%%		
Current Year Interest	\$ 18,822.01	\$ 2,449.55	\$	\$
Current Year Principle	\$ 26,764.31	\$ 3,534.45	\$	\$

Meter Deposit Balance at Test Year End

\$ 6,925

Meter Deposits Refunded During the Test Year

\$ 1,391

COMPANY NAME YARNELL WATER IMPROVEMENT ASSOCIATION

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
WELL #1 capped						
616737	7½	240				
616736	5	230				

- Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
STANDPIPE	125	

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
25	2	77	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
40,000	1		
250,000	2		

COMPANY NAME

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6		
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

STRUCTURES:

OTHER:

COMPANY NAME: YARNELL WATER IMPROVEMENT ASSOCIATION

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2003

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	510	1,399,000	1,921,000
FEBRUARY	512	1,447,000	2,084,000
MARCH	511	1,353,000	1,899,000
APRIL	512	1,673,000	2,298,000
MAY	515	2,124,500	2,914,000
JUNE	516	3,460,300	4,469,000
JULY	516	3,617,900	4,640,000
AUGUST	516	2,441,100	3,332,000
SEPTEMBER	515	2,492,600	2,975,000
OCTOBER	517	2,291,500	3,050,000
NOVEMBER	518	1,979,100	2,620,000
DECEMBER	519	1,467,000	1,780,000
TOTAL		N/A	33,982,000

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes (x) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (x) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. 0.0020 mg/l

(If more than one well, please list each separately)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME YARNELL WATER IMPROVEMENT ASSOCIATION YEAR ENDING 12/31/2003

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2003 was: \$ 12,077

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

TAX RA
B BONDS

YARNELL WATER IMPROVEMENT ASSOC.

P.O. BOX 727 928-427-3321
YARNELL, AZ 85362-0727

STOCKMENS BANK
YARNELL BRANCH
22555 BROADWAY ROAD
YARNELL, AZ 85362
91-504/1221

1936

CHECK 04/08/2003

ROSS JOCOBS

**5,397.50

Five Thousand Three Hundred Ninety-Seven and 50/100***** DATE ***** AMOUNT

PAY
TO THE
ORDER
OF:

ROSS JOCOBS

Truman S. Linnell
Lammy Zudell
AUTHORIZED SIGNATURE

⑈001936⑈ ⑆122105045⑆ 3901000228⑈

YARNELL WATER IMPROVEMENT ASSOC.

ROSS JOCOBS

04/08/2003

1936

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
04/08/2003	Bill	133089/2002	1,415.08	1,415.08		1,415.08
04/08/2003	Bill	133090/2002	3,982.42	3,982.42		3,982.42
				Check Amount		5,397.50

101 STOCKMANS CHEC

5,397.50

YARNELL WATER IMPROVEMENT ASSOC.

ROSS JOCOBS

04/08/2003

1936

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
04/08/2003	Bill	133089/2002	1,415.08	1,415.08		1,415.08
04/08/2003	Bill	133090	3,982.42	3,982.42		3,982.42
				Check Amount		5,397.50

Property Tax
#636

101 STOCKMANS CHEC

5,397.50

YARNELL WATER IMPROVEMENT ASSOC.

ROSS D.JACOBS YAVAPAI CO.TREASURER

Date	Type	Reference
10/08/2003	Bill	930-75-200-5
10/08/2003	Bill	930-75-290-6

Original Amt.
1,601.06
4,437.50

10/09/2003	Balance Due	Discount
	1,601.06	
	4,437.50	
	Check Amount	

Payment
1,601.06
4,437.50
6,038.56

2218

101 STOCKMANS CHEC

6,038.56

COMPANY NAME YARNELL WATER IMPROVEMENT ASSOCIATION

YEAR ENDING 12/31/2003

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported _____
Estimated or Actual Federal Tax Liability _____

State Taxable Income Reported _____
Estimated or Actual State Tax Liability _____

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

3-3-04
DATE

Beverly Newhouse
PRINTED NAME

President
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

MAR 05 2004

VERIFICATION

STATE OF _____

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
YAVAPAI
NAME (OWNER OR OFFICIAL) TITLE
BEVERLY NEWHOUSE - PRESIDENT
COMPANY NAME
YARNELL WATER IMPROVEMENT ASSOCIATION

**ARIZONA CORPORATION COMMISSION
DIRECTOR OF UTILITIES**

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2003 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 231,499

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 12,613

IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

3

DAY OF



OFFICIAL SEAL
BARBARA B. HECKMAN
NOTARY PUBLIC - State of Arizona
MY COMMISSION EXPIRES MAY 7, 2007

Beverly Newhouse
SIGNATURE OF OWNER OR OFFICIAL
(928)-427-3321
TELEPHONE NUMBER

COUNTY NAME	
YAVAPAI	
MONTH	2004
March	

Barbara B. Heckman
SIGNATURE OF NOTARY PUBLIC

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE

RECEIVED

3 05 2004

VERIFICATION

INTRASTATE REVENUES ONLY / CORPORATION COMMISSION
DIRECTOR OF UTILITIES

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) YAVAPAI	
NAME (OWNER OR OFFICIAL) BEVERLY NEWHOUSE	TITLE PRESIDENT
COMPANY NAME YARNELL WATER IMPROVEMENT ASSOCIATION	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.


SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2003 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ 231,499

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 12,613
IN SALES TAXES BILLED, OR COLLECTED

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**


SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

DAY OF

NOTARY PUBLIC NAME	
COUNTY NAME	
MONTH	. 20

(SEAL)

MY COMMISSION EXPIRES

X _____
SIGNATURE OF NOTARY PUBLIC